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Burma

Grain and Feed

Rice Monthly Trade Report-November 2004 2005

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Report Highlights:

Myanma Agricultural Produce Trading (MAPT), an agency of the Ministry of Commerce exported 10,720 metric tons of Ehmata 25 percent, 5,000 metric tons of broken rice and 1,988 metric tons of paddy in November.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Rangoon [BM1]
[BM]

MARKET SITUATION

Government of Burma (GOB) estimated the surplus of paddy in MY 2003/04 at 5 million metric tons of paddy (equivalent to 3.1 million metric tons of milled rice) in the Business Information Group, a weekly business magazine issue number 228. Monsoon paddy production for MY 2004/05 is also estimated to rise following increased growing area. Post believes that Burma could export up to a maximum of 500,000 metric tons of rice this year, against the GOB estimate of 3.1 million metric tons available for export, a figure that is widely believed to be unrealistic.

The Ministry of Agriculture and Irrigation reported that 44 percent of the main wet season crop is being harvested. Meanwhile, about 200,000 acres of the dry season crop are being seeded against the target of 3.38 million acres.

TRADE

In November 2004, a total of 10,720 mt of rice, 5,000 mt of broken rice and 1,988 mt of paddy were exported:

West Africa - a total of 7,961 mt of rice and 5,000 mt of broken rice exported:

7,961 mt of Ehmata 25 percent

5,000 mt of broken rice B 1 and 2

Bangladesh - a total of 2,759 mt of rice and 1,988 mt of paddy exported:

289 mt of Ehmata 25 percent

884 mt of Ngasein 25 percent

216 mt of Ehmata 25 percent

670 mt of Medone 25 percent*

700 mt of Ehmata 25 percent*

1,988 mt of paddy*

Monthly Rice Exports (Unit: Metric Tons)

Month	2003				2004			
	Rice			Paddy	Rice			Paddy
	Milled	Broken	Total		Milled	Broken	Total	
Jan.	16,841	14,844	31,685	0	5,857	0	5,857	0
Feb.	61,348	21,144	82,492	0	0	0	0	0
Mar.	80,976	943	81,919	0	0	0	0	0
Apr.	57,688	1,150	58,838	0	0	0	0	0
May	46,158	2,684	48,842	79	0	0	0	673
June	8,060	2,804	10,864	411	1,000	0	1,000	4,199
July	17,175	32,005	49,180	154	1,304	0	1,304	4,691
Aug.	330	2,344	2,674	1,315	17,510	0	17,510	5,010
Sept.	1,869	7,651	9,520	0	22,897	1,012	23,909	1,380
Oct.	3,111	2,137	5,248	0	22,443	0	22,443	2,621
Nov.	1,448	3,537	4,985	0	10,720	5,000	15,720	1,988
Dec.	7,402	4,269	11,671	0				
Total	302,406	95,512	397,918	1,959	81,731	6,012	87,743	20,562

SALES

There were no rice sales in November.

National average domestic wholesale rice price (Kyat/kilo)

	Ehmata	Superior	Inferior
Current Month	131	217	96
Previous Month	164	193	100
One year ago	132	265	119

National average domestic wholesale paddy price (Kyat/ton)

	Inferior	Superior
Current Month	80,348	109,566
Previous Month	90,088	150,958
One year ago	80,348	155,827

Average exchange rate: one US\$ = Kyat 958

Paddy/rice prices generally decreased from October levels, except for superior quality rice. Trading was also low although there was an increased inflow of rice to Rangoon markets. The domestic market was depressed due to a considerable amount of stocks held by traders/farmers. Rice/paddy prices in Burma were also the lowest in Rakhine State and the highest in Thanlyin township of Rangoon division and Moulmein township of Mon State for the second consecutive month. Prices for superior quality rice increased by 12 percent while those for Ehmata rice and inferior quality rice decreased by 20 percent and 4 percent

respectively. Prices for Ehmata paddy and superior quality paddy dropped by 11 percent and 27 percent respectively. Post believes that paddy/rice prices will continue to soften in the coming months when the harvest for the wet season paddy commences.

EXPORT PROSPECTS

Based on the figures in the first 11 months (Jan-Nov), Burma's rice exports for CY 2004 should not exceed 90,000 metric tons. Although GOB's figures clearly indicated that there is a surplus of 3 million metric tons of rice (2003/04 crop) available for export, the GOB, fearing of social unrest from increased domestic rice prices, has not lifted its rice export ban in 2005.

Post estimates that rice stocks held by traders/farmers are currently about 300,000 metric tons. This stock level and the new crop now entering the market are keeping domestic prices low. As paddy/rice can not be stored longer than a year, farmers and traders are compelled to release their old stocks to the market regardless of the low prices.

End of Report